

# Montana State Legislature

## **Exhibit 7**

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Scanning by: Susie Hamilton

# MONTANA

## Teachers' Retirement System A Component Unit of the State of Montana



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2006

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Brian Schweitzer, Governor

<http://www.trs.mt.gov>

**Teachers' Retirement System**  
**A component Unit of the State of Montana**  
**Summary of Key Valuation Results**

	2006 Valuation	2005 Valuation	Percentage Change
<b>1. Total Membership</b>			
A. Active Members (Annual Pay \$1,000 or more)	17,555	17,542	0.1%
B. Active Members (Annual Pay under \$1,000)	544	697	-22.0%
C. Vested Terminated Members	1,684	1,649	2.1%
D. Non-vested Terminated Members	8,542	8,569	-0.3%
E. Retired Members and Beneficiaries	<u>11,019</u>	<u>10,664</u>	3.3%
F. Total Membership	39,344	39,121	0.6%
<b>2. Annual Salaries</b>			
A. Annual Total (\$Thousands)	\$ 606,989	\$ 585,885	3.6%
B. Annual Average per Active Member	\$ 34,576	\$ 33,399	3.5%
<b>3. Average Annual Allowance Payable</b>			
A. Service Retirement	\$ 17,452	\$ 16,951	3.0%
B. Disability Retirement	\$ 9,049	\$ 8,794	2.9%
C. Survivors & Beneficiaries	\$ 9,877	\$ 9,584	3.1%
D. All Payees	\$ 16,436	\$ 15,954	3.0%
<b>4. Actuarial Accrued Liability (\$Millions)</b>			
A. Active Members	\$ 1,627.0	\$ 1,547.8	5.1%
B. Inactive Members	72.8	69.9	4.1%
C. Retired Members and Beneficiaries	<u>2,033.8</u>	<u>1,909.3</u>	6.5%
D. Total AAL	\$ 3,733.6	\$ 3,527.0	5.9%
E. Less Present Value of Future University Supplemental Contributions	<u>124.7</u>	<u>126.2</u>	-1.2%
F. AAL Funded by TRS Contributions	\$ 3,608.9	\$3,400.8	6.1%
<b>5. Value of System Assets (\$Millions)</b>			
A. Fair Value	\$ 2,745.8	\$ 2,487.1	10.4%
B. Smoothing Unrecognized Loss / (Reserve)	<u>0.0</u>	<u>10.4</u>	
C. Actuarial Value	2,745.8	2,497.5	9.9%
D. Ratio of Actuarial Value to Fair Value	100.0%	100.4%	
<b>6. Funded Status (\$Millions)</b>			
A. Unfunded Actuarial Accrued Liability Funded by TRS Contributions*	\$ 863.1	\$ 903.3	-4.5%
B. Funded Ratio ( 5C ÷ 4D )	73.5%	70.8%	
C. Net Funded Ratio ( 5C ÷ 4F )	76.1%	73.4%	
<b>7. Contribution Rates (percent of salaries)</b>			
A. Statutory Funding Rate	14.73%	14.73%	0.0%
B. Normal Cost Rate	<u>10.37%</u>	<u>10.35%</u>	0.2%
C. Available for Amortization of UAL ( 7A - 7B )	4.36%	4.38%	-0.5%
D. Period to Amortize	Does not amortize	Does not amortize	
E. Projected 30-Year Level Funding Rate	18.11%	18.79%	-3.6%
F. Projected Shortfall (Surplus) ( 7E - 7A ) *	3.38%	4.06%	-16.7%

\* Had \$100 million not been contributed at January 1, 2006 we estimate the July 1, 2006 UAAL shown on line 6A would have been \$966.9 million and the projected shortfall shown on line 7F would have been 4.34%.